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SUBJECT: MEDIA REACTION; US POLICY ON IRAQ; ARGENTINE ECONOMIC &
FOREIGN POLICY; 08/27/07

1. SUMMARY STATEMENT

Weekend international stories are mainly related to the US policy on Iraq; and Argentina's upcoming economic and foreign policy. Leading "Clarn" also carries an interview with Professor James Kenneth Galbraith, headlined "The world no longer wants to be led by the US."

2. OPINION PIECES AND EDITORIALS

- "From Vietnam to Iraq, the costs of imperial autism"

Marcelo Cantelmi, international editor of leading "Clarn," opines (08/25) "Some with a light perspective on the war in Iraq have said that it served the only purpose of capturing the huge oil reserves of the country..."

"However, the idea is a dangerous simplification. Certainly, oil has not been the least important element although it has only been part of the plans designed to make the imperial arm reach a crucial area for the US strategic interests.

"In other words, the war was intended to extend the US border to those territories, and it naturally included the control of the vast energy resources with the main purpose of implementing an overall reform of the Middle East's political structure, which was aimed at consolidating a new geo-political map.

"... Not long ago, Henry Kissinger, former US Secretary of State and Bush's entrusted man, stressed that precisely whatever happens in Iraq is much more important for the US than the implications of the Vietnam war.

"He was referring to what will happen after Washington leaves Iraq, which will not only be determined by the costs it will engender (and it has already brought a new military defeat for the US) but by the consolidation of the regional powers strengthened by the absurd war in the Middle East, particularly Iran (the main player included by Bush in his extravagant axis of the evil).

"... The current deterioration of the situation in Iraq, where there is no visible and firm leadership to take power (in contrast to Vietnam), made the puppet government of Nuri Al Maliki seek the support from the Iranian Shiite theocracy. Pro-US Afghan President Hamid Karzai followed suit and he even proposed to mediate between Washington and Tehran. The two of them shaped the prophecy of where the actual power will lie when the structure mounted by the US Pentagon in the region crumbles into pieces.

"... The war in Iraq and the chronic conflict between Israelis and Palestinians have done nothing but pave the way for ayatollahs. It

is precisely this growth as well as the uncontrolled situation which makes up a nightmare for the hegemonic power."

- "Two scenarios and several riddles"

Daily-of-record "La Nacion's" "Economy & Business" supplement carries an opinion piece by contributor Nestor Scibona, who writes (08/26) "... Two basic scenarios could be depicted for 2008 Argentine economy in the event Cristina wins the presidency.

"One is change although within the features of the model. This is to say, a social pact that will put a brake on public expenditure and state subsidies, reversing expectations of bigger inflation, a gradual correction of relative price distortions, a focus on mid- and long-term investment (particularly in infrastructure) and a more predictable economic policy.

"... The other scenario would be preserving the current scheme...

"With one or the other, there are political decisions to be made by the Government that could contribute to improving or worsening the climate, and those decisions are still riddles.

"One of them is the normalization of the National Statistics Institute (INDEC)... Another pending issue is the restructuring of the Paris Club debt and a way out for holdouts...

"With the progressive deterioration in the country's fiscal surplus and the current international financial crisis, the external financial normalization becomes indispensable, as well as obtaining long-term loans from the IDB, the World Bank, in order to alleviate the Treasury in funding energy projects... All this will prove necessary because next year Argentina will need eight-billion-dollar funding, which is not within reach of Hugo Chavez's petrodollars."

- "(Argentina's) future foreign policy"

Conservative "La Prensa" carries an opinion piece by Emilio J. Crdenas, former Argentine Ambassador to the UN, who writes (08/26) "... (Argentine Senator) Cristina Fernandez de Kirchner does not have too much experience in foreign policy matters. In spite of this, this topic seems to be luring to her... so much so that she dared suggest that 'we should go back to the world,' which obviously implies the acknowledgement that we 'have distanced ourselves' from the world... Ignoring foreign policy means to end up isolating oneself by adopting pathological patterns of behavior along the lines of Chavez.

"... Hugo Chavez's latest visit to Argentina has had an ugly and predictable end - a new corruption case, which we can call the suitcase case. While the Argentine Government seemingly wants 'apologies' from Venezuela, this will hardly happen.

"Instead, we will unluckily continue promoting Venezuela's entry into Mercosur, which lacks the required cohesion to promote its own growth while attending the noisy rallies that make up Chavez's unattractive international 'circus'...

"The Venezuela of Hugo Chavez is our 'strategic ally', which has replaced Brazil regarding unnecessary regional 'leaderships.' If this does not change, we will not 'return to the world,' but we'll go around in a parallel orbit that will not include real democracies.

"Additionally, Chavez is a 'strategic ally' of Iran. And if the proverb 'the friend of my friend is my friend' proves true, this partnership is very far from being the ideal one to 'return to the world.' As a matter of fact, it will only serve to distance ourselves even more from it. Regardless of the praise from characters like Susan Segal, the truth is that we are remarkably closer to Chavez than anyone else, which is of no help at all.

"In order to change, first, we should know where we are heading for and then adopt a pattern of behavior that is not swaying...

"Nothing of all this has happened in foreign policy so far, which implies that Senator Kirchner appears as 'more of the same'

regardless of some audacious statements she made. The 'change' of direction we need in foreign policy will hardly occur."

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